



Senator Steve Huffman
Senate Small Business and Economic Development Committee
November 17, 2021
Senate Bill 261

Chairman Rulli, Vice Chair Lang, Ranking Member Sykes and members of the Senate Small Business and Economic Development Committee, thank you for having me here today to present sponsor testimony on Senate Bill 261, which would revise Ohio's medical marijuana law in a manner that is business friendly and patient focused.

Five years ago in the 131st General Assembly, I sponsored HB 523 which authorized the use of medical marijuana in the state. The bill was the result of immense hard work by medical providers, patients, and industry advocates. As might be expected after five years the time has come to make some improvements to the program.

HB 523, largely placed the state's medical marijuana program under the regulatory authority of both the State Board of Pharmacy and the Department of Commerce. The Board of Pharmacy was charged with registering patients and caregivers and licensing medical marijuana retail dispensaries. The Department of Commerce issued licenses to medical marijuana cultivators, processors, and testing laboratories. The State Medical Board issued certificates to physicians seeking to recommend treatments to patients. Today, 216,471 patients have become registered for medical marijuana and only 131,536 have both an active registration and an active recommendation. 637 physicians have been granted certificates to recommend. Medical marijuana also costs Ohio patients about \$310 an ounce which is much higher than any other surrounding state. This legislation aims to guide the program in a way that is business friendly and creates greater access for patients at a lower cost.

In an effort to streamline rules and regulations this bill would move regulation of dispensaries from the Board of Pharmacy to the Department of Commerce's newly created Division of Marijuana Control. Moving the program essentially under the supervision of the Department of Commerce should simplify the compliance process for businesses within the industry. The Board of Pharmacy would still be responsible for tracking medical marijuana in the Ohio Automated Rx Reporting System (OARRS). The State Medical Board would continue to issue certifications to recommend to physicians and retain the ability to add qualifying medical conditions to the program.

The bill would also expand the list of qualifying conditions for medical marijuana to include: autism spectrum disorder, arthritis, migraines, terminal illness, and treatment of any other medical condition determined by a licensed physician. The bill would also expand the methods medical marijuana may be dispensed to include: pills, capsules and suppositories, oral pouches, oral strips, oral or topical sprays, salves, lotions, and inhalation. Patients however would continue to be prohibited from smoking product or home growing on their own. Dispensaries would also be allowed to utilize drive-thru windows and curbside pickup. This particular change will greatly help disabled patients who may have trouble getting out of their vehicle.

Currently, 57 provisional licensees have received their Certificate of Operation for a dispensary. This means there are currently over 6,000 registered patients for every dispensary in the state. Many patients face long drives to reach a dispensary. This bill would permit the division to endeavor to achieve a ratio of at least one retail dispensary per 1,000 registered patients up to the first 300,000 patients and on an as-needed basis thereafter, to be evaluated and awarded once every two years. When determining the number of retail dispensaries the division will take into account anticipated growth in patient numbers and patient demand based on sales and market data to ensure that new retail dispensary openings are timed to meet demand. Currently dispensaries are required to submit any advertisement material, social media or otherwise for prior approval before public consumption. This bill would not require such a burdensome regulation. However guardrails would still be in place as the division would be able to impose fines or other penalties for failure to comply with rules adopted by the division pertaining to advertisements.

Cultivators in the state are licensed in two levels. Level one licensees are allowed a growing operation of up to 25,000 square feet, while level two licensees are allowed up to 3,000 square feet. The bill currently proposes increasing the maximum allowed space to 75,000 square feet for level one growers and 20,000 square feet for level two growers. The original growing space levels were created when many fewer patients had qualified for the program. Creating an opportunity for more growing space should allow more product to come into the market and lower prices for patients.

The bill would also create changes for processors in the industry. Licensed processors would be able to not only obtain medical marijuana from cultivators, but also from other processors. They would also now be allowed to physically travel to the location of a cultivator and directly obtain product from the cultivator, rather than only allowing cultivators to come to the processor. The legislation would also create a new category of cultivator license for stand-alone processors to grant them the ability to maintain a small growing area. The bill would also provide relief by easing some redundant or overly burdensome testing requirements.

The Division of Marijuana Control will also be tasked with determining which criminal offenses would no longer disqualify an applicant from holding a retail dispensary license if the applicant was convicted of or pleaded guilty to the offense more than five years prior to the date their application was filed. The legislation also requires an equity study be conducted, by the department. The study would look at the medical cannabis industry and the medical cannabis market to determine whether there is a compelling interest to implement remedial measures.

This bill is the result of numerous conversations with hard working stakeholders and advocates who have been finding ways to improve the program since its inception. It is my hope that this legislation will bring free market principles to a highly regulated business. I look forward to working with this committee to create a regulatory system which will better suit our state's businesses and better serve its patients.

Thank you for the opportunity to present testimony today. I would also like to thank the stakeholders that have joined us today to share their own testimonies and perspectives on the bill. I am happy to answer any questions you may have.